

JS 44 (Rev. 08/16)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Sarah Lancaster

DEFENDANTS

Nationwide Mutual Fire Insurance Company

(b) County of Residence of First Listed Plaintiff Lackawanna

(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant State of Ohio

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

(c) Attorneys (Firm Name, Address, and Telephone Number)

A. James Hailstone, Esquire, ID #80055 / Kreders Brooks Hailstone LLP
220 Penn Avenue, Suite 200, Scranton, PA 18503
(T) (570) 346-7922; email: jhailstone@kbh-law.com

Attorneys (If Known)

Pamela A. Carlos, Esquire, Bennett Bricklin & Saltzburg, LLP
1601 Market Street, 16th Floor, Philadelphia, PA 19103
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II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question
(U.S. Government Not a Party)
- ☒ 4 Diversity
(Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|---------------------------------------|---------------------------------------|---|----------------------------|---------------------------------------|
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input checked="" type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input checked="" type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

CONTRACT	REAL PROPERTY	LABOR	IMMIGRATION	LABOR	SOCIAL SECURITY	FEDERAL TAX SUITS	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from Another District (specify)
- ☐ 6 Multidistrict Litigation - Transfer
- ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Breach of Contract/Bad Faith

VII. REQUESTED IN COMPLAINT:
☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$
75,000.00

CHECK YES only if demanded in complaint:
JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE Honorable Malachy E. Mannion

DOCKET NUMBER 3:16-CV-364

DATE 12/9/16

SIGNATURE OF ATTORNEY OF RECORD KREDERS BROOKS HAILSTONE LLP
A. James Hailstone, Esquire.

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

SARAH LANCASTER,

Plaintiff

v.

NATIONWIDE MUTUAL FIRE
INSURANCE COMPANY,

Defendant

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CIVIL ACTION - LAW

NO. _____

COMPLAINT

AND NOW, the Plaintiff, Sarah Lancaster, by and through her counsel, Kreder Books Hailstone LLP, brings this Complaint against the Defendant, Nationwide Mutual Fire Insurance Company, of which the following is a statement:

PARTIES

1. Plaintiff, Sarah Lancaster, is an adult individual with a principal place of residence at 106 Hope Way, Scranton, Lackawanna County, Pennsylvania.
2. Defendant, Nationwide Mutual Fire Insurance Company ("Nationwide"), is an insurance corporation organized and existing under the laws of the State of Ohio with a place of business located at 433 Green Ridge Street, Scranton, Lackawanna County, Pennsylvania and all times herein conducted business in Scranton, Lackawanna County, Pennsylvania.

JURISDICTION

3. The controversy is between citizens of separate states and the amount in controversy is in excess of \$75,000.00 therefore the United States District Court for the Middle District of Pennsylvania exercises jurisdiction.

FACTS

4. On or about May 21, 2015, Plaintiff was an insured of Nationwide for accidental fire damage caused to her home pursuant to a written policy. A copy of the Policy is in the possession of Nationwide.
5. On or about May 21, 2015, an accidental fire caused substantial damage to the Premises with an estimated cost of repair in excess of \$75,000.00.
6. Within a day of the loss, a claim was submitted to Nationwide by the Plaintiff by phone.
7. Written notice of the loss was forwarded to Nationwide on May 29, 2015, August 11, 2015 and September 9, 2015.
8. Nationwide denied payment of the claim under the pretense that the policy had been cancelled due to non-payment of the policy premium.
9. Subsequently to the denial, Nationwide contacted counsel for the Plaintiff to set up a time to assess the damage to the Property.
10. Nationwide never responded after the initial contact and never assessed the

property damage.

11. The policy requires that Nationwide renew the policy after mailing to the named insured, the Plaintiff, at her last known address, notice of premium required to renew or maintain the policy.
12. Nationwide never mailed to Plaintiff notice of the premium required to renew or maintain the policy prior to cancellation of the policy.
13. The policy also prohibits Nationwide from cancelling the policy unless it notifies the policy holder in writing at least 30 days prior to cancelling the policy.
14. Nationwide never provided any notice to Plaintiff of the intended cancellation.
15. The policy requires Nationwide to renew the policy unless the required notice is provided to the policy holder.
16. Nationwide never renewed the policy even though it had failed to inform the policy holder of the intended cancellation.
17. The Policy also requires Nationwide to notify the Plaintiff's Mortgagee, Habitat for Humanity, of any intended cancellation at least 10 days before the cancellation.
18. Nationwide failed to inform the Mortgagee of the intended cancellation as required by the policy.

COUNT I - BREACH OF CONTRACT

19. Paragraphs 1-18 are incorporated herein and made a statement hereof.
20. At all times relevant Plaintiff, Sarah Lancaster, complied with the terms and conditions of the of the insurance contract yet Nationwide has denied the claim of the Plaintiff under the false pretense that the policy had been cancelled due to nonpayment of premium and the false claim that they never received timely notice of the loss.
21. Nationwide breached the policy of insurance by:
 - a. Failing and refusing to pay the loss claim;
 - b. Failing to mail to Plaintiff the notice of premium required to renew the policy of insurance;
 - c. Failing to notify the Plaintiff of the intended cancellation of the policy;
 - d. Failing to notify Plaintiff's Mortgagee of the intended cancellation.
22. As a direct and proximate result of the breach of contract the Plaintiff has suffered damages in an amount excess of \$75,000.00.
23. The Breach of Contract was willful, wanton, malicious and therefore the Plaintiff should be awarded punitive damages against Nationwide.

WHEREFORE, it is respectfully requested that Plaintiff's requested relief be granted.

COUNT II - BAD FAITH

24. Paragraphs 1-23 are incorporated herein and made a statement hereof.
25. Nationwide has a fiduciary, contractual and statutory duties to Plaintiff to handle claims involving it in good faith and with due care in order to arrive at a prompt, fair and equitable settlement of the claim.
26. Nationwide has failed and refused to pay Plaintiff and equitable and fair amount.
27. Nationwide breached its duty of good faith and due care to Plaintiff by focusing only upon its own economic considerations rather than the payment of the claim.
28. Nationwide acted in reckless disregard to the rights of the Plaintiff.
29. Nationwide acted in bad faith in violation of 42 Pa.C.S.A. § 8371.
30. The reckless and bad faith actions of Nationwide included, inter alia:
 - a. Failing and refusing, without good reason, to pay the claims submitted;
 - b. Failing to mail to Plaintiff the notice of premium required to renew the policy of insurance;
 - c. Failing to notify the Plaintiff of the intended cancellation of the policy;
 - d. Failing to notify Plaintiff's Mortgagee of the intended cancellation;

- e. Failing to renew the Plaintiff's policy of insurance.
- 31. As a direct and proximate result of the actions of Nationwide, which constitute Bad Faith, the Plaintiff has been deprived of the money due and owing it which would be necessary to rehabilitate her home to make it habitable and also forced the Plaintiff to live away from her home since the fire.
- 32. Nationwide's bad faith actions have forced the Plaintiff to pursue litigation and incur costs and fees.
- 33. As a result of Nationwide's bad faith actions, the Plaintiff is entitled to recover the entire amount owed to her plus interest at an amount equal to the prime rate plus 3%; punitive damages; and reasonable counsel fees.

WHEREFORE, it is respectfully requested that Plaintiff's requested relief be granted.

KREDER BROOKS HAILSTONE LLP

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BY: /s/A. James Hailstone
A. James Hailstone
Attorney I.D. #80055
Attorneys for Plaintiff